The authors offer a comprehensive and enlightening analysis of how policies can increase resilience. The paper is well-structured and very informative as it covers a broad range of topics. In the following I suggest some areas for improvement.

1) The reader would benefit from a more critical discussion of their concept, that is, resilience. Resilience is defined at page 1 as "minimizing the risk" of the occurrence of either "financial crises" or "severe recession". Severe recessions are taken to be episodes when "GDP falls by more than 3½ per cent from peak to trough". A financial crisis is defined in footnote 2 as "being identified if at least one study claims that a crisis occurred, according to, I presume Babecký et al. (2012)".

   I would ask the authors to comment on the following points:

   1a) The definition of a financial crisis seems clearly under-theorised, and lacking consistency with the definition of severe recession;

   1b) It is quite surprising that authors make hardly any reference to unemployment. Shouldn't this variable be central, given its repercussions on well-being, more and beyong GDP losses? Unemployment is mentioned only once in the paper, when the authors discuss the relevance of unemployment subsidy as possible automatic stabilisers, arguing that discretionary fiscal policy measures are preferable to unemployment subsidies (Page 5). The reason is that automatic stabilisers would reduce average growth. Extensive research on individual well-being is concordant that unemployment is the strongest cause of unhappiness in people (along with divorce; see e.g. Helliwell et al., 2012). Hence, I believe that this variable should have a more central role in the analysis, or at least its exclusion being critically discussed.

   1c) I am also surprised by the lack of attention to the duration of a crisis. A crisis lasting a decade is very different from one lasting one year.

   1d) Additionally, surely a situation of stagnation, which could presumably be defined as one of absence of growth over a protracted period of time, should also be important for the notion of resilience.

   The above reflections lead me to the more general point that the reader may benefit from a justification of why we should focus on extreme events such as those illustrated by the authors, rather than by the more general notion of the actual GDP gap from potential output. Or, put it in other way, are the measures proposed by the authors only relevant for such extreme events, or also for "normal" recessions?

2) The authors state: "Furthermore, recent political developments have also shown that the growing discontent in advanced economies about the distribution of growth dividends has been underestimated. These long-term distributional consequences have had an impact on the economic resilience of households and often imposed adjustment costs on marginal workers. The discontent this has engendered and the perceived divide between the elites and the public can result in populist economic responses that increase barriers to trade and more generally make economies more closed". (Page 2)

Although it is possible that growing inequality can create discontent among the disadvantaged, we have, as far as I am aware, no empirical evidence that income distribution and discontent may be directly connected. Social comparison is an important field in both happiness and behavioural economics.

Nonetheless, we have scant empirical evidence over the reference group to which individuals compare. If the “radius” of comparison is small, then the overall income distribution has little relevance. If the radius of social comparison is as small as to include only district neighbours, as is not implausible to think, then the overall income distribution will bear not much concern on individuals. Marginalised workers may simply be unsatisfied with the fact that their own individual position has deteriorated or stagnated over the years (see e.g. Milanovic’s elephant chart). I invite the authors to either discuss critically these points, or make their statement a tentative one.

3) I would invite the authors to define what the points in Figure 1 mean (Page 3).
4) The authors state: “One option for consideration to progress further would be to facilitate human capital based lending by utilizing the big data on individual’s history of financial transactions.” (Page 7)

This statement is obscure to me.

5) Figure 2: The relationship between private credit and stock markets on the one hand, and on GDP on the other hand, is bound to have relevant reverse-causality problems. The authors may want to clarify what they mean by effects.
6) Relaxing constraints on land use is a win-win measure to reduce house pricebubble risk, improve economic efficiency (including through easier geographical mobility) and facilitate inclusive access to home ownership. (Page 7).

Can the authors clarify the environmental impact of such measures?

References

Helliwell, John and Layard, Richard and Sachs, Jeffrey (eds.) (2012) World happiness report. The Earth Institute, Columbia University, New York, USA.
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